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10                   **UNITED STATES DISTRICT COURT**  
11                   **NORTHERN DISTRICT OF CALIFORNIA, OAKLAND DIVISION**

12  
13 IN RE COLLEGE ATHLETE NIL  
14 LITIGATION

Case No.: 4:20-cv-3919-CW  
**AMENDED [PROPOSED] ORDER  
REGARDING THIRD-PARTY  
CLAIMS BUYOUT SERVICES  
(ECF NO. 1028)**

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18                   Judge: Hon. Claudia Wilken

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1 This matter comes before the Court on Plaintiffs' Renewed Motion for a  
 2 Prospective Order Concerning Third-Party Claims Buyout Services ("Motion").  
 3 Upon consideration of the foregoing Motion, the papers submitted in support and  
 4 opposition thereto, and good cause appearing,

5 IT IS HEREBY ORDERED AND DECREED as follows:

6 1. All Third-Party Claim Buyers seeking to purchase Class Members'  
 7 settlement claims should be required to fully disclose the potential tax implications of  
 8 the settlement distributions to Class Members prior to signing any contract related to  
 9 the claims in this Settlement. The following disclosure should be provided at least  
 10 twice, with one being included in the initial solicitation or marketing materials and  
 11 the other with any sale or transaction agreement:

12 **WARNING ABOUT POTENTIAL TAX CONSEQUENCES**

13 You should seek advice from a registered tax preparer or competent tax  
 14 advisor about your tax obligations for any payments that you are entitled  
 15 to receive under the Settlement. However, the Court overseeing the  
 16 Settlement has directed us to provide the following disclosure:

17 **THE TAX CONSEQUENCES OF ANY AGREEMENT YOU SIGN  
 18 REGARDING YOUR CLAIM MAY VARY DEPENDING ON THE  
 19 SPECIFIC TERMS OF THAT AGREEMENT. WITH CERTAIN  
 20 TRANSACTION STRUCTURES, YOU MAY BE REQUIRED TO  
 21 PAY INCOME TAXES ON THE *FULL AMOUNT OF THE*  
 22 *PAYMENTS THAT YOU ARE ENTITLED TO UNDER THE*  
 23 *SETTLEMENT (EVEN IF THE RESULTING TAX LIABILITY*  
 24 *EXCEEDS THE AMOUNT YOU RECEIVED UNDER THE*  
 25 *AGREEMENT).***

26 **A TRANSACTION STRUCTURED AS AN OUTRIGHT OR  
 27 "TRUE" SALE MAY REMOVE FUTURE SETTLEMENT  
 28 PAYMENTS FROM YOUR GROSS INCOME FOR FEDERAL  
 AND STATE INCOME TAX PURPOSES, IN WHICH CASE YOU  
 WOULD INSTEAD LIKELY PAY TAX ON THE PURCHASE  
 PRICE YOU RECEIVE. AS A RESULT OF A SALE, YOU  
 WOULD ALSO BE FORFEITING ANY AND ALL RIGHTS TO  
 RECEIVE ADDITIONAL INCOME OR FUTURE PAYMENTS**

1           **UNDER THE FOURTH AMENDED STIPULATION AND**  
 2           **SETTLEMENT AGREEMENT, IN RE: COLLEGE ATHLETE NIL**  
 3           **LITIGATION, NO. 4:20-CV-03919 (THE “SETTLEMENT**  
 4           **AGREEMENT”). YOU SHOULD CONSULT WITH A**  
 5           **COMPETENT TAX ADVISOR REGARDING THE SPECIFIC**  
 6           **TAX CONSEQUENCES OF YOUR PARTICULAR AGREEMENT**  
 7           **BEFORE SIGNING THE AGREEMENT.**

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 9           Additional information, including information about the potential tax  
 10          consequences of selling your right to receive settlement payments, may  
 11          be found on the Settlement website at: [LINK TO FAQ WITH THIS  
 12          INFO]

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 14          2. Class Counsel and the Claims Administrator will continue to monitor  
 15          Third-Party Claim Buyers to ensure that they comply with any Order of the  
 16          Court and will provide any such entities that contact Class Counsel or the  
 17          Claims Administrator with this Order.

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 19          3. Class Counsel shall update the settlement website with an FAQ  
 20          regarding the potential tax implications of payments from third-party claims  
 21          buying entities.

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 23          4. The QSF shall not provide direct disbursements of settlement funds to  
 24          non-Class Members except to Third-Party Claim Buyers that have completed  
 25          outright purchases of claims from Class Members and those purchases are  
 26          completed prior to the exhaustion of any appeals in the case.

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 28          5. With respect to outright sales of claims that are completed prior to the  
 29          exhaustion of any appeals, all Third-Party Claim Buyers wishing to obtain  
 30          direct disbursements from the QSF shall be required to promptly notify the  
 31          QSF in writing within 15 days of closing the sales transaction or, for existing  
 32          claim sales, within 15 days of the date of this Order, of both the sale and the  
 33          identity of the Third-Party Claim Buyer of the claim by sending an email to the  
 34          claims administrator and provide the QSF with (i) a copy of a true bill of sale

1 and (ii) a signed indemnification form. That indemnification form shall use the  
2 following language:

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## **INDEMNIFICATION OF TAX LIABILITIES**

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6 Purchaser hereby represents for the benefit of Verita Global LCC that  
7 this Bill of Sale was entered into with full transparency, complete  
8 disclosure, and without any misleading statements, coercion, or material  
9 omissions from or by Purchaser to Seller. Purchaser further assumes full  
10 responsibility for determining the eligibility of the Seller as a class  
11 member and bears the risk of, and sole responsibility for, ensuring that it  
12 is legally entitled to receive any payment from the Settlement Funds,  
13 including with respect to confirming that no laws, regulations, court  
14 orders, or other lienholders or payees have a superior or conflicting  
claim to the same funds or otherwise restrict or limit a third party's  
eligibility to receive payment. Purchaser further acknowledges that  
Verita Global LLC shall have no responsibility for the evaluation of  
competing claims or priorities among lienholders or other third parties.

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Purchaser hereby also agrees to indemnify and hold Verita Global LLC,  
the Qualified Settlement Fund (the "Fund") and any and all of its  
respective [directors, managers, employees, and controlling persons]  
(each, "Indemnified Party") harmless from and against and agrees to  
defend, and will pay to each Indemnified Party the amount of, any and  
all losses (including attorneys' fees) awarded against or incurred or  
suffered by such Indemnified Party, whether or not involving a third-  
party claim, demand, action or proceeding, arising out of any and all  
claims, demands, obligations, losses, liabilities, damages, costs and  
expenses (including U.S. federal taxes, state and local income taxes,  
withholding taxes, and any interest or penalties) which the Indemnified  
Party may suffer as a result of any claims, liabilities or charges asserted  
against it by the Internal Revenue Service (the "IRS") or any state or  
local tax authority with respect to the filing and reporting (or failing to  
file and report) any returns or reports relating to the sale of the  
claim pursuant to this Bill of Sale, and any subsequent payments,  
required by the IRS or any state and local tax authority with respect  
thereto.

If any claim, demand, action or proceeding (including any investigation by any governmental authority) shall be brought or alleged against an Indemnified Party in respect of which indemnity is to be sought pursuant to this Bill of Sale, the Indemnified Party shall, as soon as reasonably practicable after receipt of notice of the commencement of any such claim, demand, action or proceeding, notify Purchaser in writing of the commencement of such claim, demand, action or proceeding, enclosing a copy of all papers served, if any; provided, that the omission to so notify Purchaser will not relieve Purchaser from any liability that it may have to the Indemnified Party under this Bill of Sale.

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**IT IS SO ORDERED.**

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DATED: \_\_\_\_\_

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HONORABLE CLAUDIA WILKEN  
UNITED STATES DISTRICT JUDGE